

WASHINGTON (October 15) – Congressman Spencer Bachus (AL-6), Ranking Member on the House Financial Services Committee, made the following statement today after the Committee passed H.R. 3795, the Democrats’ derivatives legislation. During the Full Committee mark up of H.R. 3795, Ranking Member Bachus offered three amendments to reduce the adverse effects on the economy and add some protection to taxpayers. The Bachus amendments would extend the implementation period of the legislation from 180 days to 270 days after enactment, provide the SEC and the CFTC with exemptive authority similar to current law; and perhaps most importantly, to prevent taxpayer funded bailouts of clearinghouses. All three amendments were accepted by voice vote.

Ranking Member Bachus said, “One of the lessons from the crisis is that we need smarter regulation, not more regulation. We need to close the gaps in regulation, not add layer upon layer on existing legislation. Despite accepting a number of amendments offered by Republicans to improve the bill, the Committee failed to adopt changes that would prevent the legislation from becoming yet another government overreach that will kill jobs. The new system of complex regulation will place American businesses and the economy at a disadvantage.

“The Committee has heard from companies that use derivatives to manage risk that the Democrats’ legislation will drive up costs for the whole economy and could lead to capital restraints for users of derivatives. That is why Republicans offered amendments to ensure the legislation is workable and less disruptive to the economy. Unfortunately, in the end, overregulation trumped sound policy.”

To view Congressman Bachus’ comments on amendment to prevent taxpayer bailouts of clearinghouses, [click here](#) .